

**Eastside Lincoln Mercury
Damage Calculation**

Warranty Audit Results

Exhibit I

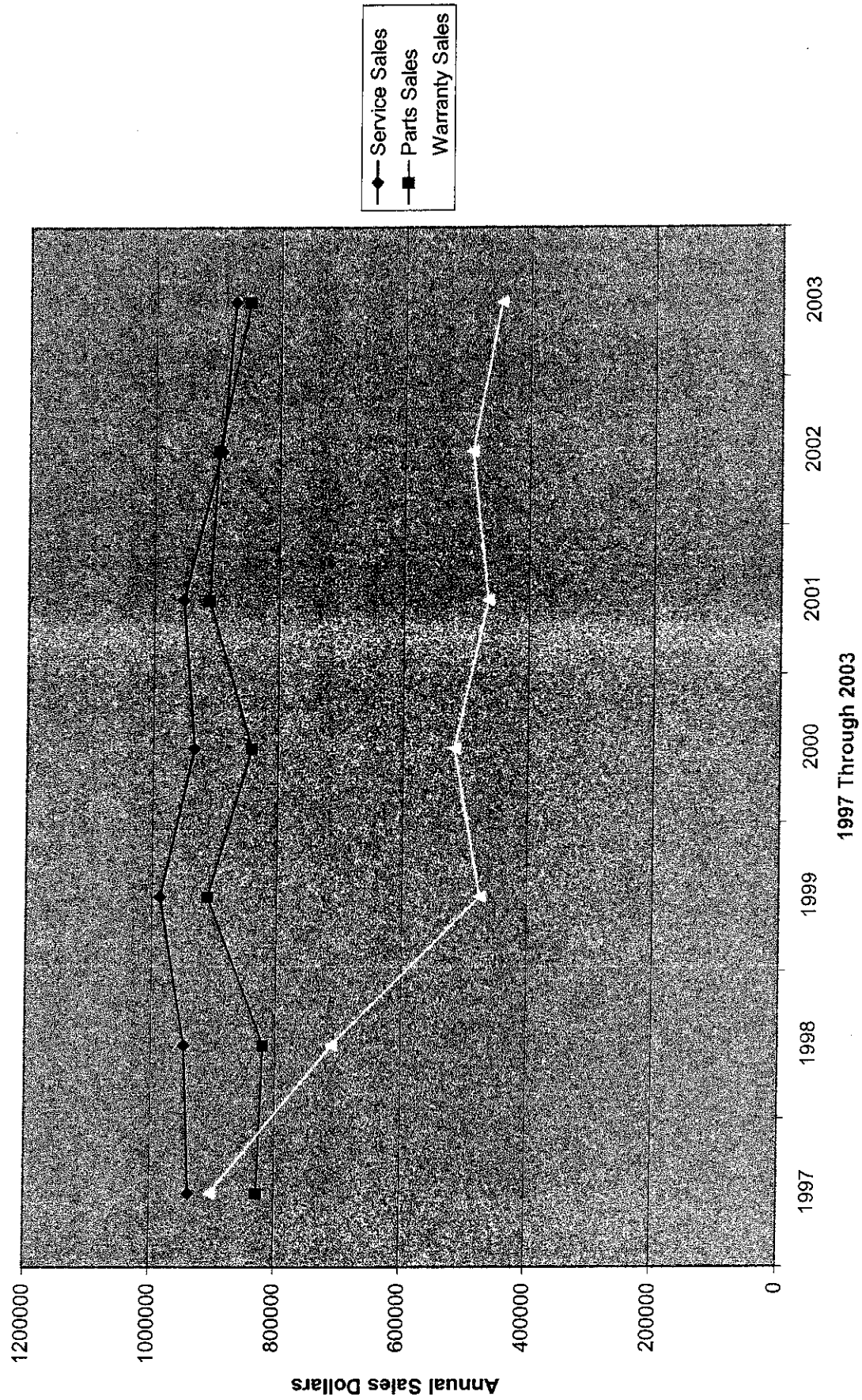
<u>Period Covered by Audit</u>	<u>Estimated Dollar Volume of Warranty Sales By Eastside</u>	<u>Ford's Original Claimed Disallowance</u>	<u>Ford's Final Disallowance</u>	<u>Final % of Disallowances To Total</u>
11-1-96 to 04-30-97	484,501	8,222.69	6,362.65	1.31%
10-14-97 to 07-14-98	573,237	21,400.00	2,675.00	0.47%
11-25-98 to 08-25-99	376,042	2,359.00	2,359.00	0.63%
02-29-00 to 01-30-01	<u>469,888</u>	<u>5,973.00</u>	<u>5,973.00</u>	<u>1.27%</u>
	<u>1,903,667</u>	<u>37,954.69</u>	<u>17,369.65</u>	<u>0.91%</u>

Notes

Actual Warranty Sales Per Eastside Lincoln Mercury Dealer Financial statements

<u>Time Frame</u>	<u>Dollars</u>	<u>Prorated \$ for audit period</u>
Calendar 1996	1,099,192	
Calendar 1997	903,908	484,501
Calendar 1998	710,626	573,237
Calendar 1999	475,234	376,042
Calendar 2000	517,288	469,888
Calendar 2001	465,774	

Eastside Lincoln Mercury Trend Lines on Service, Parts and Warranty Sales- Exhibit II



**Eastside Lincoln Mercury
Damage Calculation**

EXHIBIT III

Dollar Volume and Percentage Increase

Competitors Warranty Sales Volume

<u>Calendar Year</u>	<u>Other Lincoln Mercury Dealers Sales and % Change Note 1</u>		<u>Other Ford & Lincoln Mercury Dealers % Change Note 2</u>
1998	\$	2,374,586	
1999	\$	2,188,180	-7.85%
2000	\$	2,516,356	15.00%
2001	\$	3,953,296	57.10%
2002	\$	3,149,832	-20.32%
2003			-26.70%

Note 1 - Warranty sales dollars from dealer financials for Kings, Dixon/Fairfield, Fryson/Ridgeview, Northgate, and Wyler/Stillpass. Data for 2002 is annualized using results through April 2002.

Note 2 - Per Ford Management Reporting System results for Region 47, Market A-1, representing 20 Ford and Lincoln Mercury dealers in the Cincinnati region. Data not available for 1999. 2003 data through April 30, 2003.

**Eastside Lincoln Mercury
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Exhibit IV

Lost Warranty Volume

Calendar Year	<u>Eastside Lincoln Mercury Data</u> <u>Per Dealership Financial Statements</u>			<u>Note 1</u>		Revised Annual Sales Volume	Impact on Gross Profit Net of Selling Expenses	Damage Using Lowest Annual Loss
	<u>Sales</u>	<u>Gross Profit Percentage</u>	<u>Service Dept Variable Selling Expense as a % of Gross Profit</u>	<u>Factor Applied to Sales Volume</u>	<u>Increase (Decline) In Sales Volume</u>			
1998	710,626	47.00%						
1999	475,234	48.00%	21.31%	-7.85%	179,608	654,842	67,840	67,840
2000	517,288	45.00%	22.38%	15.00%	235,780	753,068	82,356	82,356
2001	465,774	44.00%	21.38%	57.10%	717,296	1,183,070	248,133	
2002	492,573	43.00%	17.50%	-20.32%	450,097	942,670	159,672	
2003 <i>Note 3</i>	446,607	45.00%	20.38%	-26.70%	244,370	690,977	<u>87,555</u>	
TOTAL							<u>645,556</u>	

Calendar Year	<u>Eastside Lincoln Mercury Data</u> <u>Per Dealership Financial Statements</u>			<u>Note 2</u>		Revised Annual Sales Volume	Impact on Gross Profit Net of Selling Expenses	
	<u>Sales</u>	<u>Gross Profit Percentage</u>	<u>Service Dept Variable Selling Expense as a % of Gross Profit</u>	<u>Factor Applied to Sales Volume</u>	<u>Increase (Decline) In Sales Volume</u>			
1998	710,626	47.00%						
1999	475,234	48.00%	21.31%	-7.85%	179,608	654,842	67,840	
2000	517,288	45.00%	22.38%	19.80%	267,213	784,501	93,335	
2001	465,774	44.00%	21.38%	46.20%	681,166	1,146,940	235,634	235,634
2002	492,573	43.00%	17.50%	-25.50%	361,897	854,470	128,383	128,383
2003	446,607	45.00%	20.38%	-26.70%	179,720	626,327	<u>64,392</u>	<u>64,392</u>
TOTAL							<u>589,584</u>	<u>578,605</u>

Note One 1999 to 2001 Factor derived from reported results from direct Lincoln Mercury competitors in the Cincinnati area.
2002 factor is annualized results from same competitors using their results through April 2002.
2003 factor is from Ford reports for Region 47, Market A-1, all Ford and Lincoln Mercury dealers

Note Two 1999 Factor from competitors reported results.
2000 to 2002 factor is from Lincoln Mercury Division reports for Region 47, Market A-1, all Ford and Lincoln Mercury dealers
2003 factor is annualized figure from Ford reports through April 2003.

Note Three 2003 data for ELM is annualized data derived from actual results through August 31, 2003

**Eastside Lincoln Mercury
Damage Calculation**

Exhibit V

Anticipated Loss From Carryover Impact of Warranty Audits on 2004

Loss incurred in 2003, per Exhibit IV	<u>64,392</u>
Anticipated 2004 loss from carryover impact of warranty audits	64,392
Discount factor at 4% to state future loss as of December 31, 2003	<u>(1,374)</u>
Loss as of December 31, 2003	<u>63,018</u>

**Eastside Lincoln Mercury
Damage Calculation**

Cost of Warranty Audits

Exhibit VI

<u>Warranty Period</u>	<u>Date of Audit</u>	<u>Amount</u>
11-12-98 to 08-25-99	10/20/1999	2,359
02-29-00 to 01-30-01	4/9/2001	<u>5,973</u>
		<u>8,332</u>

**Eastside Lincoln Mercury
Personnel Statistics 10-01-03
Provided By Management**

Exhibit VII

	<u>calendar year 1999</u>		<u>calendar year 2000</u>		<u>calendar year 2001</u>		<u>calendar year 2002</u>	
	<u>Chevy</u>	<u>Eastside</u>	<u>Chevy</u>	<u>Eastside</u>	<u>Chevy</u>	<u>Eastside</u>	<u>Chevy</u>	<u>Eastside</u>
Owner	1	1	1	1	1	1	1	1
Gen Manager	1	1	1	1	1	1	1	1
New Manager	1	1	1	1	1	1	1	1
Used Manager	1	1	1	1	1	1	1	1
Service Manager	1	1	1	1	1	1	1	1
Parts Manager	1	1	1	1	1	1	1	1
F & I Manager	2	1	1	0	1	0	2	0
Salespeople	10	6	10	6	7	6	11	6
Service Advisors	3	3	3	3	3	3	3	3
Parts Counter	3	2	3	2	2	2	2	2
Parts Driver	1	1	1	1	1	1	1	1
Technicians	9	11	9	11	9	11	9	11
Lot Techs/Porters	3	3	3	3	3	3	3	3
Clerical	7	4	4	4	4	3	4	5
Detail Shop	0	3	0	3	3	3	0	3

Estimated Calendar 2003

	<u>Chevy</u>	<u>Eastside</u>
Owner	1	1
Gen Manager	1	1
New Manager	1	1
Used Manager	1	1
Service Manager	1	1
Parts Manager	1	1
F & I Manager	1	0
Salespeople	12	7
Service Advisors	3	3
Parts Counter	2	2
Parts Driver	0	1
Technicians	9	11
Lot Techs/Porters	2	4
Clerical	4	5
Detail Shop	0	3

**Eastside Lincoln Mercury
Damage Calculation**

Exhibit VIII

Expense Savings Associated With Dualled Facility

	<u>For the Calendar year ended December 31</u>				<u>Estimated</u>	<u>YTD</u>
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Annual</u>	<u>8/31/2003</u>
<u>Actual Expense per ELM Financial Statements</u>						
Dept Managers						
New	60,973	54,036	63,302	74,807	98,940	65,960
Used	39,335	39,687	26,649	83,003	80,957	53,971
Service	84,640	49,389	45,705	58,975	62,916	41,944
Parts	40,071	38,374	38,649	45,590	44,630	29,753
F & I	30,519	13,377	8,816	4,856	5,438	3,625
Other Salaries						
New	79,096	86,354	107,056	55,623	42,866	28,577
Used	51,840	56,041	63,083	38,086	21,024	14,016
Service	232,515	241,139	253,675	220,785	264,924	176,616
Parts	90,770	95,332	95,295	82,503	76,326	50,884
Admin	16,306	27,763	51,299	55,753	59,912	39,941
P/R taxes and Benefits	189,518	180,463	174,101	169,051	198,702	132,468
General Manager	81,431	75,000	75,289	102,885	106,934	71,289
Rent & equiv	219,410	218,317	216,191	220,087	209,645	139,763
Utilities	27,333	26,521	29,451	28,594	28,322	18,881
Data processing	92,594	100,292	97,107	106,767	99,999	66,666
Telephone	23,276	33,496	33,545	29,366	28,671	19,114
<u>Savings Calculation</u>						
	<u>Factor</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Department Managers						
General Manager	Eliminated	81,431	75,000	75,289	102,885	106,934
New manager	Retained	0	0	0	0	0
Used Manager	Retained	0	0	0	0	0
Service Manager	Eliminated	84,640	49,389	45,705	58,975	62,916
Parts Manager	Eliminated	40,071	38,374	38,649	45,590	44,630
F & I Manager	Eliminated	30,519	0	0	0	0
Other personnel						
New Department	60% eliminated	47,458	51,812	64,234	33,374	25,719
Used Department	60% eliminated	31,104	33,625	37,850	22,852	12,614
Parts Department	25% eliminated	22,693	23,833	23,824	20,626	19,082
Service Department	20% eliminated	46,503	48,228	50,735	44,157	52,985
Administrative	50% eliminated	8,153	13,882	25,650	27,877	29,956
P/R Taxes and Benefits at 20%		78,514	66,828	72,387	71,267	70,967
Utilities	33% Eliminated	9,020	8,752	9,719	9,436	9,346
Rent & Equivalent	Eliminated	219,410	218,317	216,191	220,087	209,645
Data Processing & Phone	10% Eliminated	11,587	13,379	13,065	13,613	12,867
Pay raises for remaining personnel to recognize new responsibilities		-20,000	-25,000	-30,000	-35,000	-40,000
Carrying cost of new facility at 8% of cost		-52,000	-52,000	-52,000	-52,000	-52,000
Carrying costs for new furniture at 8% of cost		-8,000	-8,000	-8,000	-8,000	-8,000
Rent paid to new landlord		-3,500	-3,500	-3,500	-3,500	-3,500
Operating costs of new facility		-20,000	-20,000	-20,000	-20,000	-20,000
Net Savings From Dualing Facilities		607,602	532,918	559,797	552,238	534,159
						<u>TOTAL</u>
						2,786,715

**Eastside Lincoln Mercury
Damage Calculation**

Exhibit IX

Future Losses Associated With Inability to Dual Operations

Calculated loss for 2003, per Exhibit VIII	<u>534,159</u>
Anticipated loss for 2004, same as calculated for 2003	534,159
Anticipated loss for 2005, same as calculated for 2003	534,159
Anticipated loss for 2006, same as calculated for 2003	<u>534,159</u>
Subtotal	1,602,478
Less discount at 4% per annum to discount to December 31, 2003	<u>(94,789)</u>
Loss as of December 31, 2003	<u>1,507,689</u>

**Eastside Lincoln Mercury
Damage Calculation**

Cost of Lincoln Premier Upgrades

Exhibit X

<u>Service Provided</u>	<u>Date of Service</u>	<u>Vendor Name</u>	<u>Cost</u>	<u>Subtotal By year</u>
Painting of exterior of facility	November 3, 2000	Baynum Painting	8,210.00	
Repair of doors on facility	November 2, 2000	Overhead Door	4,373.62	12,583.62
Restoration/cleaning of block	May 2, 2001	Shelton Construction	1,600.00	1,600.00
Showroom renovation	July 23, 2002	JTF Construction	21,350.00	
Showroom renovation	September 26, 2002	JTF Construction	39,284.00	
Showroom furniture	October 31, 2002	Installation & Facilities Resources	23,159.94	
Showroom window tinting	September 12, 2002	Solar Technology	1,364.26	
Clean up and repair for inspections	Various	Eastside Personnel (232 hrs @ \$ 15)	<u>3,480.00</u>	88,638.20
TOTAL			<u>102,821.82</u>	

**Eastside Lincoln Mercury
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Exhibit XI

Cost of Holding Honda Facility Due to Denial of Dualing Opportunity

<u>Cost Considered</u>	<u>Date Placed In Use</u>	<u>Cost</u>
Land Improvements	3/19/2001	120,275
New Showroom	12/1/2000	337,969
New Showroom	3/19/2001	422,057
Subtotal		<u>880,300</u>
Calculated loss associated with inability to recover costs incurred in the sale of the facility- at 80%		<u>704,240</u>

**Eastside Lincoln Mercury
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Exhibit XII

Lost Lincoln Premier Bonus Money

<u>Customer Name</u>	<u>Deal #</u>	<u>Date</u>	<u>VIN #</u>	<u>Dollars</u>
Bergstrom	202402	8/26/00	1L1Y602794	513.06
Garascia	202433	8/31/00	1L1Y604680	497.81
Welch	202530	9/28/00	1L1Y620150	497.81
Jennings	202549	9/30/00	1M1A608709	269.13
Swisshelm	202654	11/2/00	2M1X620937	285.06
Clark	202669	11/13/00	1L1Y616737	497.81
Minning	202678	11/16/00	1L1Y608802	552.00
Ross	202699	11/27/00	1L1Y620057	497.81
Oaks	202701	11/28/00	1L1Y603872	552.43
Player	202717	12/4/00	4M1UJ06724	376.50
Althawadi	202727	12/8/00	1M1A616611	269.13
Ferguson	202728	12/9/00	1L1Y643572	526.13
Hartman	202726	12/11/00	1L1Y623412	497.81
Noggle	202739	12/14/00	1L1Y635826	415.38
1st Natl Bank	202745	12/19/00	1L1Y662604	552.44
Hilltop research	202752	12/21/00	1L1Y662709	552.44
Frer	202756	12/23/00	1M1A612650	269.81
Haywood	202764	12/27/00	1L1Y627955	497.81
Briggs	202767	12/28/00	1L1Y663251	497.81
				<u>8,618.18</u>

Eastside Lincoln Mercury
 Damage Calculation
 Deliveries of Lincoln Navigator
 August 24, 1999 to October 31, 1999

Exhibit XIII

DAILY SCHEDULE RELEASES				ACCUMULATED SCHEDULE RELEASES				
Date	KINGS	EASTSIDE	NORTHGATE	Date	Eastside	Northgate	Kings	
08/24/1999				1.00 08/24/1999	0	0	0	0
08/25/1999				2.00 08/25/1999	0	0	0	0
08/26/1999	1			3.00 08/26/1999	0	0	0	1
08/27/1999				4.00 08/27/1999	0	0	0	1
08/28/1999				5.00 08/28/1999	0	0	0	1
08/29/1999				6.00 08/29/1999	0	0	0	1
08/30/1999	1			7.00 08/30/1999	0	0	0	2
08/31/1999				8.00 08/31/1999	0	0	0	2
09/01/1999				9.00 09/01/1999	0	0	0	2
09/02/1999				10.00 09/02/1999	0	0	0	2
09/03/1999	1			11.00 09/03/1999	0	0	0	3
09/04/1999				12.00 09/04/1999	0	0	0	3
09/05/1999				13.00 09/05/1999	0	0	0	3
09/06/1999				14.00 09/06/1999	0	0	0	3
09/07/1999	1			15.00 09/07/1999	0	0	0	4
09/08/1999	1			16.00 09/08/1999	0	0	0	5
09/09/1999			1	17.00 09/09/1999	0	1	1	5
09/10/1999				18.00 09/10/1999	0	1	1	5
09/11/1999				19.00 09/11/1999	0	1	1	5
09/12/1999				20.00 09/12/1999	0	1	1	5
09/13/1999	3		1	21.00 09/13/1999	0	2	2	8
09/14/1999				22.00 09/14/1999	0	2	2	8
09/15/1999				23.00 09/15/1999	0	2	2	8
09/16/1999				24.00 09/16/1999	0	2	2	8
09/17/1999		1		25.00 09/17/1999	1	2	2	8
09/18/1999				26.00 09/18/1999	1	2	2	8
09/19/1999				27.00 09/19/1999	1	2	2	8
09/20/1999			1	28.00 09/20/1999	1	3	3	8
09/21/1999				29.00 09/21/1999	1	3	3	8
09/22/1999				30.00 09/22/1999	1	3	3	8
09/23/1999				31.00 09/23/1999	1	3	3	8
09/24/1999	2			32.00 09/24/1999	1	3	3	10
09/25/1999	2			33.00 09/25/1999	1	3	3	12
09/26/1999				34.00 09/26/1999	1	3	3	12
09/27/1999				35.00 09/27/1999	1	3	3	12
09/28/1999				36.00 09/28/1999	1	3	3	12
09/29/1999				37.00 09/29/1999	1	3	3	12
09/30/1999				38.00 09/30/1999	1	3	3	12
10/01/1999				39.00 10/01/1999	1	3	3	12
10/02/1999				40.00 10/02/1999	1	3	3	12
10/03/1999				41.00 10/03/1999	1	3	3	12
10/04/1999				42.00 10/04/1999	1	3	3	12
10/05/1999		1	2	43.00 10/05/1999	2	5	5	12
10/06/1999				44.00 10/06/1999	2	5	5	12
10/07/1999		1		45.00 10/07/1999	3	5	5	12
10/08/1999		1	1	46.00 10/08/1999	4	6	6	12
10/09/1999	2			47.00 10/09/1999	4	6	6	14
10/10/1999	3			48.00 10/10/1999	4	6	6	17
10/11/1999				49.00 10/11/1999	4	6	6	17
10/12/1999	1			50.00 10/12/1999	4	6	6	18
10/13/1999				51.00 10/13/1999	4	6	6	18
10/14/1999		1	1	52.00 10/14/1999	5	7	7	18
10/15/1999				53.00 10/15/1999	5	7	7	18
10/16/1999	1			54.00 10/16/1999	5	7	7	19
10/17/1999				55.00 10/17/1999	5	7	7	19
10/18/1999				56.00 10/18/1999	5	7	7	19
10/19/1999				57.00 10/19/1999	5	7	7	19
10/20/1999				58.00 10/20/1999	5	7	7	19
10/21/1999		2		59.00 10/21/1999	7	7	7	19
10/22/1999	1			60.00 10/22/1999	7	7	7	20
10/23/1999			1	61.00 10/23/1999	7	8	8	20
10/24/1999				62.00 10/24/1999	7	8	8	20
10/25/1999				63.00 10/25/1999	7	8	8	20
10/26/1999			1	64.00 10/26/1999	7	9	9	20
10/27/1999		1		65.00 10/27/1999	8	9	9	20
10/28/1999				66.00 10/28/1999	8	9	9	20
10/29/1999	1			67.00 10/29/1999	8	9	9	21
10/30/1999	2			68.00 10/30/1999	8	9	9	23
10/31/1999	1			69.00 10/31/1999	8	9	9	24

Eastside Lincoln Mercury
Damage Calculation
Deliveries of Lincoln Model LS
May 1, 1999 to July 29, 1999

Exhibit XIV

Date	KINGS	DAILY SCHEDULE RELEASES EASTSIDE	NORTHGATE
05/01/1999			
05/02/1999			
05/03/1999	2		
05/04/1999		1	1
05/05/1999			
05/06/1999		1	
05/07/1999	2		
05/08/1999			
05/09/1999			
05/10/1999			1
05/11/1999			
05/12/1999			
05/13/1999			
05/14/1999			
05/15/1999			
05/16/1999			
05/17/1999	1		
05/18/1999	2		
05/19/1999	1		
05/20/1999	1		
05/21/1999			
05/22/1999			
05/23/1999			
05/24/1999			
05/25/1999		1	
05/26/1999	4		
05/27/1999			
05/28/1999			
05/29/1999			
05/30/1999			
05/31/1999			1
06/01/1999			2
06/02/1999			
06/03/1999	1		
06/04/1999			1
06/05/1999			
06/06/1999	2		
06/07/1999	2	1	
06/08/1999			
06/09/1999		1	
06/10/1999		2	
06/11/1999			
06/12/1999			
06/13/1999			
06/14/1999			
06/15/1999	1		
06/16/1999		1	
06/17/1999	1		1
06/18/1999	1	1	
06/19/1999			
06/20/1999			
06/21/1999			
06/22/1999		1	1
06/23/1999			
06/24/1999	1	1	1
06/25/1999			
06/26/1999			
06/27/1999			
06/28/1999			
06/29/1999			
06/30/1999			
07/01/1999			
07/02/1999	1	1	
07/03/1999			
07/04/1999			
07/05/1999			
07/06/1999			
07/07/1999			
07/08/1999			
07/09/1999			
07/10/1999			
07/11/1999			
07/12/1999			
07/13/1999			
07/14/1999			
07/15/1999			
07/16/1999			
07/17/1999			
07/18/1999			
07/19/1999			
07/20/1999		1	
07/21/1999			
07/22/1999	3		2
07/23/1999		2	
07/24/1999			
07/25/1999			
07/26/1999		1	
07/27/1999			
07/28/1999			
07/29/1999			

Date	Eastside	Northgate	Kings
05/01/1999	0	0	0
05/02/1999	0	0	0
05/03/1999	0	0	2
05/04/1999	1	1	2
05/05/1999	1	1	2
05/06/1999	2	1	2
05/07/1999	2	1	4
05/08/1999	2	1	4
05/09/1999	2	1	4
05/10/1999	2	2	4
05/11/1999	2	2	4
05/12/1999	2	2	4
05/13/1999	2	2	4
05/14/1999	2	2	4
05/15/1999	2	2	4
05/16/1999	2	2	4
05/17/1999	2	2	5
05/18/1999	2	2	7
05/19/1999	2	2	8
05/20/1999	2	2	9
05/21/1999	2	2	10
05/22/1999	2	2	10
05/23/1999	2	2	10
05/24/1999	2	2	10
05/25/1999	3	2	10
05/26/1999	3	2	14
05/27/1999	3	2	14
05/28/1999	3	2	14
05/29/1999	3	2	14
05/30/1999	3	2	14
05/31/1999	3	2	14
06/01/1999	3	3	14
06/02/1999	3	5	14
06/03/1999	3	5	15
06/04/1999	3	6	15
06/05/1999	3	6	15
06/06/1999	3	6	17
06/07/1999	4	6	19
06/08/1999	4	6	19
06/09/1999	5	6	19
06/10/1999	7	6	19
06/11/1999	7	6	19
06/12/1999	7	6	19
06/13/1999	7	6	19
06/14/1999	7	6	19
06/15/1999	7	6	20
06/16/1999	8	6	20
06/17/1999	8	7	21
06/18/1999	9	7	22
06/19/1999	9	7	22
06/20/1999	9	7	22
06/21/1999	9	7	22
06/22/1999	10	8	22
06/23/1999	10	8	22
06/24/1999	11	9	23
06/25/1999	11	9	23
06/26/1999	11	9	23
06/27/1999	11	9	23
06/28/1999	11	9	23
06/29/1999	11	9	23
06/30/1999	11	9	23
07/01/1999	11	9	23
07/02/1999	12	9	24
07/03/1999	12	9	24
07/04/1999	12	9	24
07/05/1999	12	9	24
07/06/1999	12	9	24
07/07/1999	12	9	24
07/08/1999	12	9	24
07/09/1999	12	9	24
07/10/1999	12	9	24
07/11/1999	12	9	24
07/12/1999	12	9	24
07/13/1999	12	9	24
07/14/1999	12	9	24
07/15/1999	12	9	24
07/16/1999	12	9	24
07/17/1999	12	9	24
07/18/1999	12	9	24
07/19/1999	12	9	24
07/20/1999	13	9	24
07/21/1999	13	9	24
07/22/1999	13	11	27
07/23/1999	15	11	27
07/24/1999	15	11	27
07/25/1999	15	11	27
07/26/1999	16	11	27
07/27/1999	16	11	27
07/28/1999	16	11	27
07/29/1999	16	11	27

EXHIBIT 15

New Model Year Lincoln Navigator Releases to Select Cincinnati Area Lincoln Mercury Dealerships

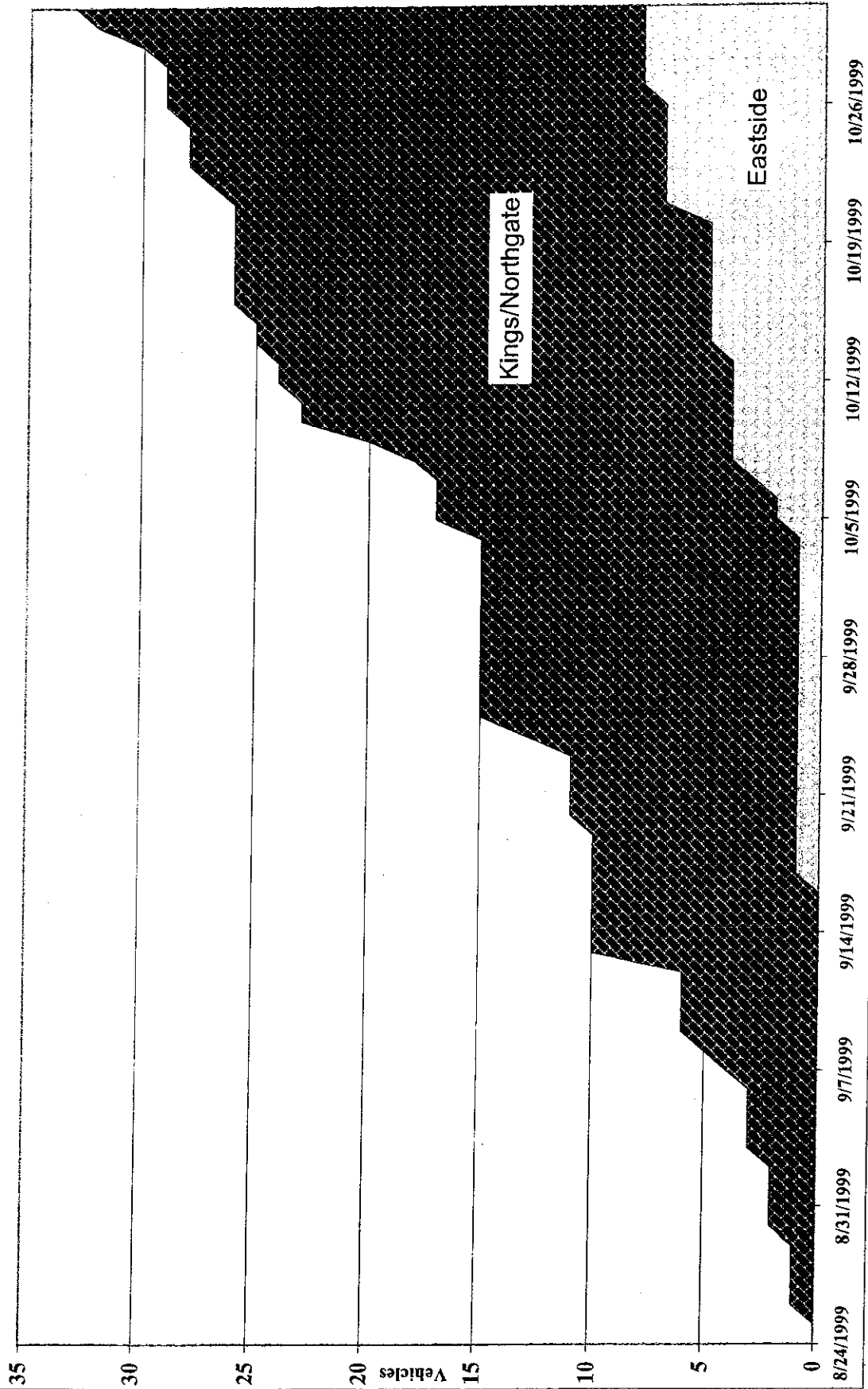
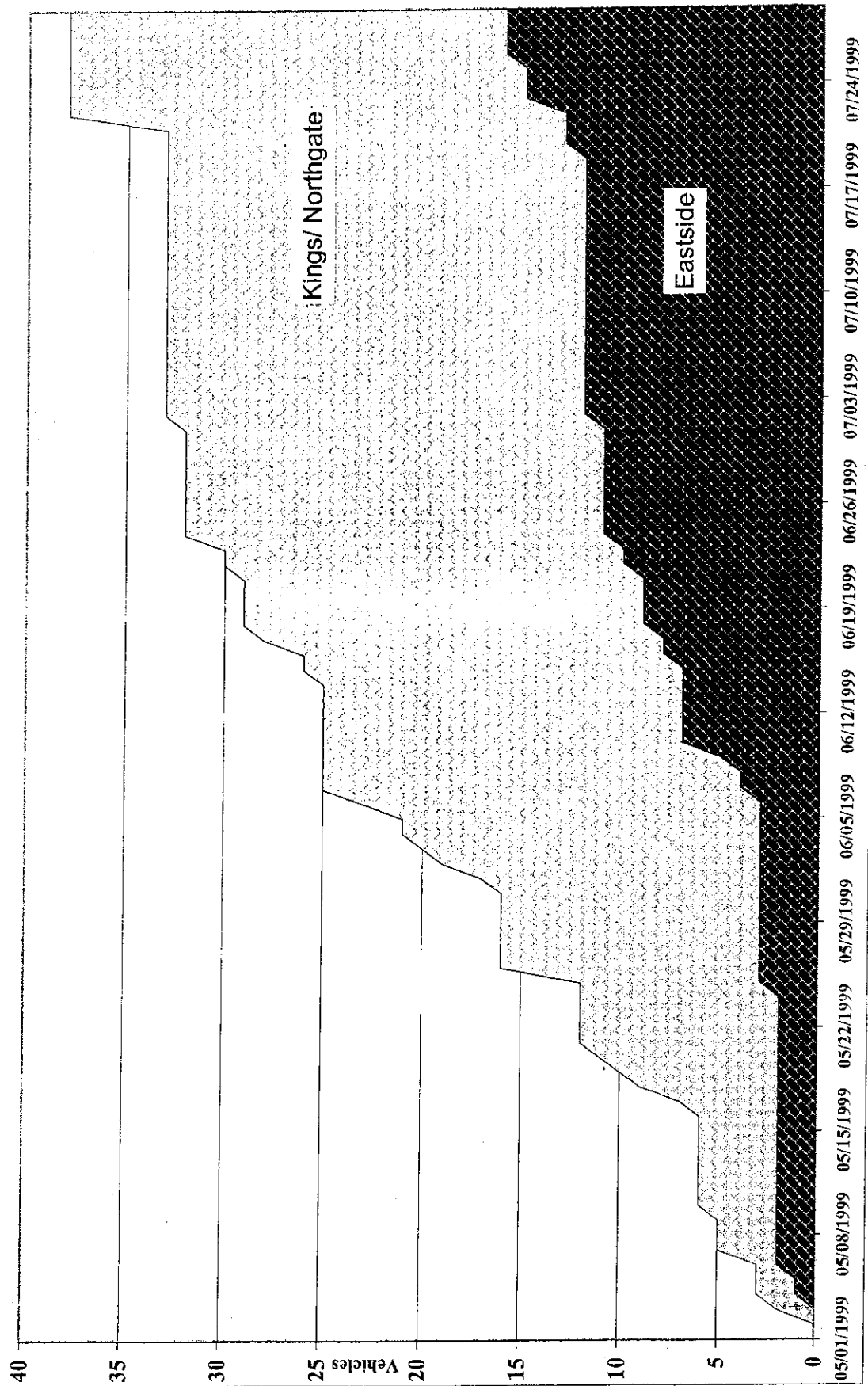


EXHIBIT 16

New Model Year Lincoln LS Releases to Select Cincinnati Area Lincoln Mercury Dealerships



**Eastside Lincoln Mercury
Damage Calculation****Exhibit XVII****Lost Sales Volume Resulting From Preferential Delivery of Vehicles**

<u>Calendar Year</u>	<u>Lost unit sales by model of vehicle</u>				<u>Total Lost Unit Sales</u>
	<u>Cougar</u>	<u>Navigator</u>	<u>Lincoln LS</u>	<u>Mountaineer</u>	
1999	20	8	6	9	43
2000	10	6	8	8	32
2001	8	5	5	6	24
2002	0	5	0	0	<u>5</u>
Grand Total					<u><u>104</u></u>

Eastside Lincoln Mercury
Damage Calculation

Exhibit XVIII

Analysis of Eastside Service Volume

<u>Model Years Included</u>	<u>Delivery period</u>	<u>Service Period</u>	<u>Type of Sale</u>	<u>Number Of Vehicles Serviced</u>	<u>Number of RO'S Written</u>	<u># Of RO's Written Per Vehicle</u>
2001 to 2002	01-01-01 to 12-31-02	01-01-01 to 12-31-02	All	139	852	6

**Eastside Lincoln Mercury
Damage Calculation**

Exhibit XIX

Service and Parts Department Analysis and Variable Selling Expenses

Calendar Year	<u>Variable Selling Expense</u> Stated in Dollars		<u>Gross Profit Dollars</u>		Variable Selling Expense as a % of Sales <i>Gross Profit</i>
	<u>Service</u>	<u>Parts</u>	<u>Service</u>	<u>Parts</u>	
1999	178206	48095	724175	337896	21.31%
2000	174858	41551	633655	333172	22.38%
2001	160397	37674	606811	319742	21.38%
2002	129479	31231	588763	329656	17.50%

Calculation of Gross Profit per RO Written

	<u>RO'S Written</u> Total All <u>Categories</u>	<u>Gross profit</u> Service & <u>Parts</u>	<u>Average</u> Gross Per <u>RO</u>
2001	10677	926553	86.78
2002	9314	918419	98.61
Average			<u><u>92.69</u></u>

Note

Variable selling expense includes commissions, advertising, training, policy, service loaners, tools, supplies, freight, equipment and vehicle maintenance
Data taken from Eastside's dealership financial statements

**Eastside Lincoln Mercury
Damage Calculation**

Lost Profits Associated With Missed Sales

Exhibit XX

<u>Calendar Year</u>	<u>Lost new Unit Sales In Units</u>	<u>Lost # Of RO's Per Lost Sale</u>	<u>Gross Profit per ELM Financials</u>			<u>Variable Selling Expenses As a % of Gross Profit</u>		<u>Net Missed Profit</u>
			<u>Per New Unit Sale</u>	<u>F & I per New Unit</u>	<u>Service & Parts Per RO</u>	<u>New Car Department</u>	<u>Service & Parts Dept</u>	
1999	43	6	1,147.73	127.00	92.69	26.30%	21.31%	59,215
2000	32	6	1,102.33	93.00	92.69	23.50%	22.38%	43,075
2001	24	6	957.21	145.00	92.69	32.30%	21.38%	28,402
2002	5	6	705.72	110.00	92.69	46.00%	17.50%	4,497
						TOTAL		<u>135,190</u>

**Eastside Lincoln Mercury
Damage Calculation**

Exhibit XXI

Borrowing Costs Incurred Due to Lost Gross Profit, Increased Expenses and Inability to Dual Facilities

Damage calculated through December 31, 2003

<u>Calendar Year</u>	<u>Savings Associated With</u>	<u>Amount of Savings</u>	<u>Interest Rate</u>	<u>Current Year Amount to Be Saved</u>	<u>Future Years Savings</u>
1999	Denial of Permission to Dual Facilities	607,602			
1999	Lost Warranty Gross Profit	67,840			
1999	Lost Gross on Lost New Vehicle Sales	<u>59,215</u>			
	Subtotal	734,657	8.00%	29,386	128,565
2000	Denial of Permission to Dual Facilities	532,918			
2000	Lost Warranty Gross Profit	82,356			
2000	Warranty Charge Backs	2,359			
2000	Lost LPE money	8,618			
2000	Cost of LPE Updates	12,583			
2000	Lost Gross on Lost New Vehicle Sales	<u>43,075</u>			
	Subtotal	681,909	7.75%	26,424	66,486
2001	Denial of Permission to Dual Facilities	559,797			
2001	Lost Warranty Gross Profit	235,634			
2001	Warranty Charge Backs	5,973			
2001	Cost of LPE Updates	1,600			
2001	Lost Gross on Lost New Vehicle Sales	<u>28,402</u>			
	Subtotal	831,406	3.75%	15,589	49,884
2002	Denial of Permission to Dual Facilities	552,238			
2002	Lost Warranty Gross Profit	128,383			
2002	Cost of LPE Updates	88,638			
2002	Lost Gross on Lost New Vehicle Sales	<u>4,497</u>			
	Subtotal	773,756	3.00%	11,606	23,213
2003	Denial of Permission to Dual Facilities	534,159			
2003	Lost Warranty Gross Profit	<u>64,392</u>			
	Subtotal	598,551	3.00%	8,978	0
	Grand Total			<u>91,984</u>	<u>268,148</u>

**Eastside Lincoln Mercury
Damage Calculation**

Exhibit XXII

Comparison of Operating Results, Net Worth and Blue Sky Value

<u>Operating Loss</u>	<u>Per Dealer Financial Statements</u>			<u>Blue Sky Paid by Ford</u>
	<u>1998</u>	<u>1999</u>	<u>2000</u>	
Dixon Lincoln Mercury	24,833	(307,015)	Closed	1,600,000
Stillpass Lincoln Mercury	(193,979)	(377,245)	Closed	
Wyler/Stillpass Lincoln Mercury Note 1			(446,607)	903,800
Eastside Lincoln Mercury	50,246	(209,215)	(290,339)	

Note 1 - Combined results of Wyler\Stillpass through September 30, 2000

**Eastside Lincoln Mercury
Damage Calculation**

Exhibit XXIII

Pro Forma Eastside Financial Statements After Adjustment for Damages

	<u>1999</u>	<u>2000</u>	<u>Combined</u>
As originally reported on the dealer financials	(219,083)	(290,339)	(509,422)
Adjust for			
2000 Damaged Per Exhibit XXI	734,657	0	734,657
2001 Damages per Exhibit XXI	<u>0</u>	<u>681,909</u>	<u>681,909</u>
Revised Operating Results- pretax	<u>515,574</u>	<u>391,570</u>	<u>907,144</u>
Lowest Goodwill amount paid by Ford in Consolidation of other Points			<u>903,800</u>
Increased Blue Sky Value that Mr. Woeste would attribute to Eastside had he not suffered the damages resulting from Fords actions Calculated at three times the average of the damages for 1999 and 2000			<u>2,124,849</u>

**Eastside Lincoln Mercury
Damage Calculation****Exhibit XXIV****Ford Money Paid to Reichert/ Kenwood Dealer Group and Not Made Available to Eastside**

<u>Stated Purpose</u>	<u>Amount</u>
Fairfield Assistance with purchase of Dixon	183,000
Wyer Units - Kings	8,000
Wyer Units - Fairfield	2,500
Gentry sales trip	10,000
Fairfield Co-op Advertising	25,000
Fairfield Grand Opening	20,000
Fairfield LM Co-op Advertising	2,250
Kings Co-op - Cougar	3,150
Kings Co-op Selldown assistance	12,600
Kings LM	17,000
Kings Auto mall Co-op Advertising	36,750
Northgate Co-op Advertising	<u>21,000</u>
Grand total	<u><u>341,250</u></u>